

WEEKLY ECONOMIC REVIEW JUNE 19, 2026

Regime change at the Fed

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MACRO PLAYLIST

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 Sebastien Mc Mahon



A look at markets this week

Total returns, at the close on Thursday

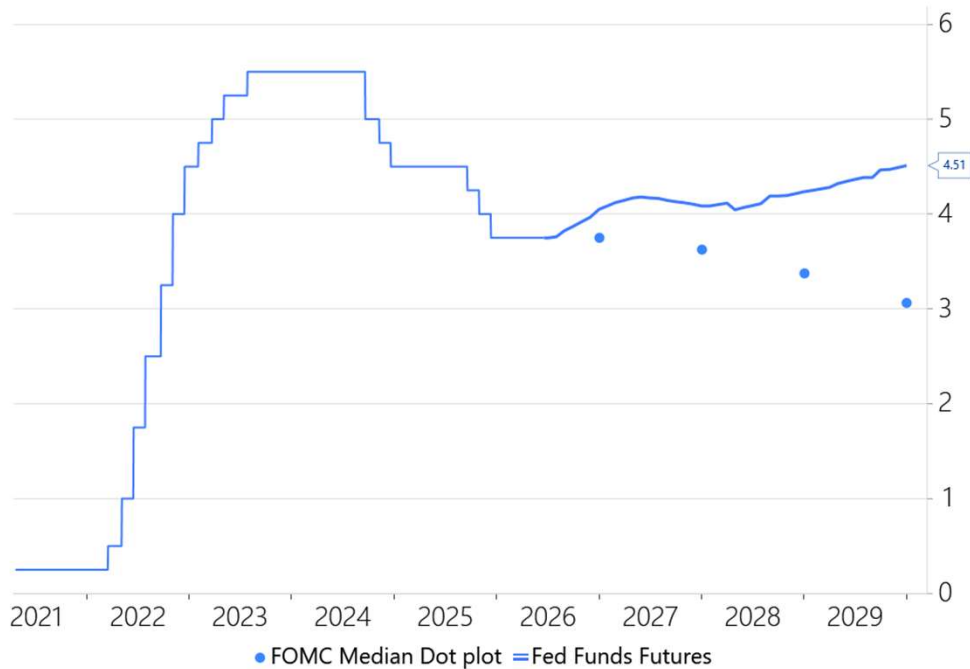
		WEEK TO DATE		YEAR TO DATE	
		Return in local currency	Return in CAD	Return in local currency	Return in CAD
Canadian bonds	FTSE TMX Universe	0.17%		1.96%	
	FTSE TMX Long	0.41%		3.04%	
	Corps	0.11%		2.04%	
Equities	S&P/TSX	0.14%		11.38%	
	S&P 500	0.96%	2.03%	10.20%	13.51%
	NASDAQ	2.44%	3.52%	14.43%	17.87%
	MSCI EAFE	1.95%	2.31%	11.83%	13.56%
	MSCI Emerging	4.45%	5.46%	30.63%	32.44%
		Current price	Return WTD	Return YTD	
Other	Oil (WTI)	76.60 \$	-9.75%	33.40%	
	USD/CAD	0.7074 \$	-1.05%	-2.91%	
	EUR/USD	1.1458 \$	-0.95%	-2.45%	
	Gold	4 209.97 \$	-0.22%	-2.53%	

Federal Reserve: Regime change

Fed holds rates steady, pares down statement to remove cutting bias

Market expectations on Fed vs FOMC dots

As at 6/19/2026



● FOMC Median Dot plot = Fed Funds Futures

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Federal Reserve Chairman Kevin Warsh held his first press conference at the helm of the central bank, announcing an **overhaul to the Fed's operations.**

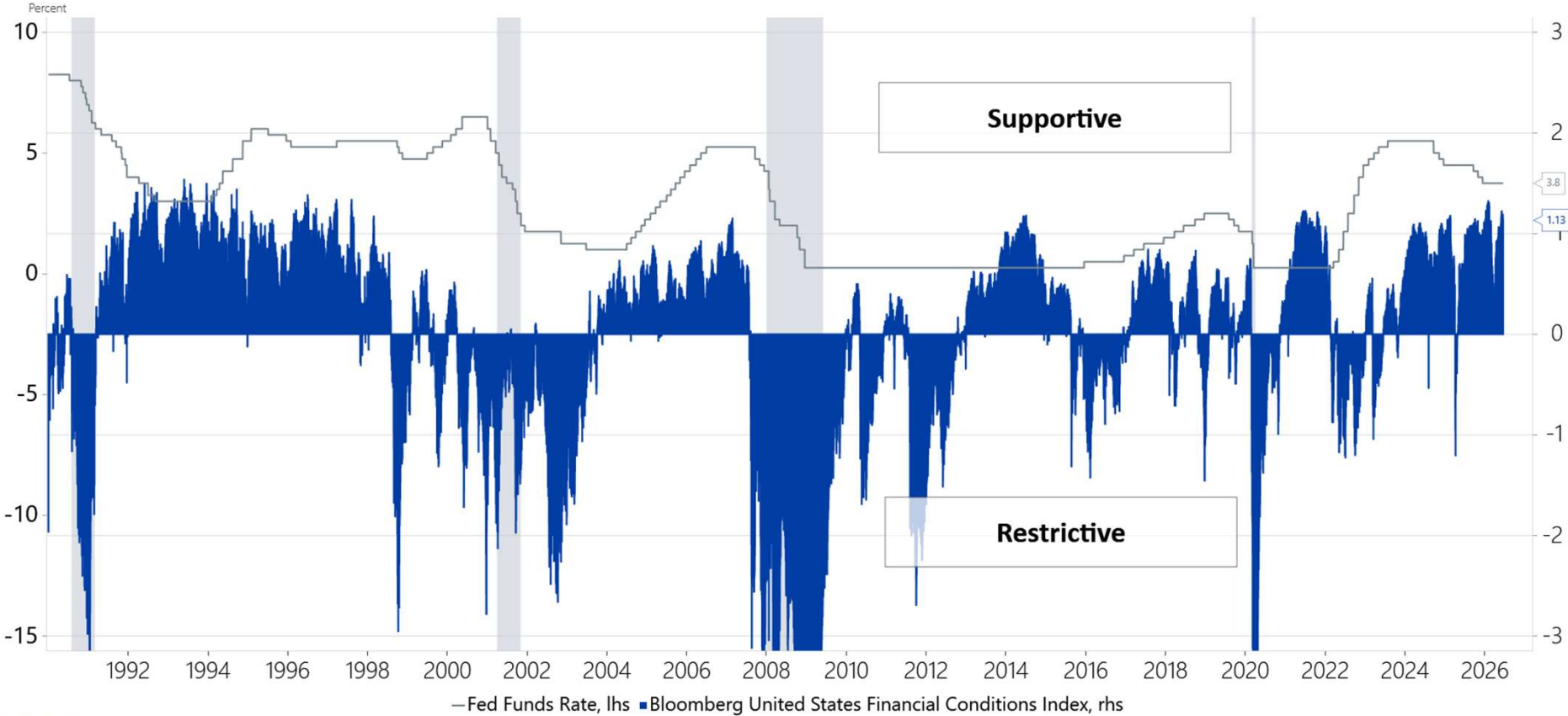
He announced the establishment of **five task forces, addressing the Fed's communications, its balance sheet, its reliance on data sources, productivity and jobs, and the central bank's inflation "frameworks."**

Warsh also made a point of abstaining from policymakers' "dot plot," the central bank's projections of where rates will be in the future. **He revamped the Fed's policy statement, noting that "it's a bit shorter, a bit simpler, and it dispenses with some older language."**
-- CNBC, June 17, 2026

Fed: Financial conditions suggest rate hikes are direly needed

U.S.: Financial Conditions Index and Fed Funds Rate

Bloomberg, as at 6/17/2026



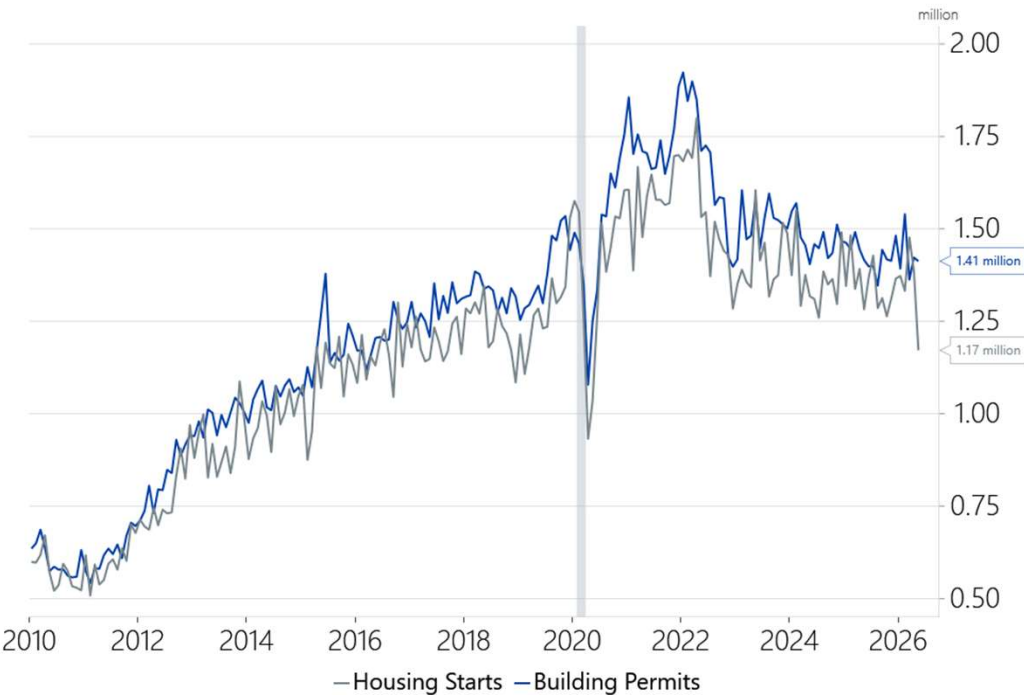
U.S.: Elevated long rates is a headwind for housing

U.S.: Average Mortgage Rates, 30-Year Fixed
Bankrate, U.S. Bureau of Economic Analysis (BEA), as at 6/19/2026



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U.S.: Headwinds for the Housing Market
U.S. Census Bureau, as of 5/2026



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What we'll be watching next week

Canada

- CPI Inflation

United States

- S&P Global PMIs
- Core PCE Inflation

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